[Sri S. K. Sambandhan] [1st August 1962

Madras ", (3) for the fixation of minimum wages for handloom weavers, and (4) for the supply of adequate quantity and the required quality of raw materials, especially yarn, at reasonable prices '.

SRI G. KRISHNAMOORTHY : I second the resolution, Sir.

(4) TRANSACTION OF BUSINESS IN THE COUNCIL IN TAMIL.

வித்வான் டி. முத்துக்கண்ணப்பன் : தலைவர் அவர்களே, " இம் மாநிலத்தின் ஆட்சிமொழியாகவும் சட்டமன்ற நடவடிக்கை நிகழ்ச்சிகள் யாவும் அமையவேண்டிய மன்றத்தின் மொழியாக வும், தமிழை விரைவில் கொண்டுவருவதற்கான நடவடிக்கை எடுக்குமாறு, அரசினருக்கு இச்சபை சிபாரிசு செய்கிறது" என்ற தீர்மானத்தை முன்மொழிகிறேன்.

The resolution was duly seconded.

(5) LIBERALIZATION OF TEACHERS' PENSION RULES.

SRI G. KRISHNAMOORTHY : Mr. Chairman, Sir, I move—

'This Council recommends to the Government that the Teacher Pension Rules be liberalized to provide for—

(*a*) eligibility for temporary increase of Rs. 10 in pension for all teacher-pensioners from 1st April 1955;

(*b*) fixation of Rs. 20 per mensem as minimum pension in the case of teachers;

(*c*) payment of pension to all teachers retired prior to 1st April 1955;

(*d*) payment of pension to all teachers of B.T. grade and headmasters of high schools retired from 1st April 1958 on the formula n/120 of the last three years' average salary without any ceiling limit;

(*e*) inclusion of all service in recognized schools including service after 55 years of age as service counting for pension;

(*f*) payment of pension on the basis of the highest salary drawn as per Service Register; and

(*g*) payment of pension to the non-teaching staff and teachers retired as clerks or librarians '.

The resolution was duly seconded.

V.—GOVERNMENT BILLS

(1) THE MADRAS ELECTRICITY (TAXATION ON CONSUMPTION) BILL, 1962 (L.A. BILL NO. 12 OF 1962).

THE HON. SRI R. VENKATARAMAN : Mr. Chairman, Sir, I move—

'That the Madras Electricity (Taxation on Consumption) Bill[a], 1962 (L.A. Bill No. 12 of 1962), as passed by the Assembly, be taken into consideration '.

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[a] Printed as Appendix II on pages 629–636.

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Sir, the object of this Bill is to secure additional revenues for implementing the development schemes in the Third Five-Year Plan by imposing a tax on consumption of electricity. The rates of tax have been fixed with due regard to the charges for electricity now payable by different classes of consumers. The rate of tax on consumers under high tension supply has been fixed at a higher level than that on consumers under low tension supply, as the consumers under high tension supply are mostly industrial units paying lower rates of electricity charges now.

So far as tax on energy consumed by industries is concerned, we have made a study of the incidence of taxation, with reference to the proportion of the cost of energy in the total cost of production in different industries. Government are satisfied that in no industry would the rise in cost be more than one per cent and in many cases the increase in the cost of production will be less. In textile industry, the cost of energy is a small proportion of the total cost of production and that is why the Government have thought it fit to impose taxation at 30 per cent on energy consumed by the textile industry. Some industries like caustic soda, Aluminium, are 'energy intensive' in the sense that the cost of energy is 15 per cent or more of the total cost of production. With a view to mitigate the effects of the new tax on energy on the cost structure of these industries a specially favourable rate of five per cent has been prescribed for these industries.

Industries located in the Madras Electricity System have to pay in addition to basic rates for energy, a fuel surcharge related to the cost of coal. In order that these industries may not be subject to any great hardship, Government have limited the rate of tax to five per cent in respect of consumers of high tension energy paying fuel surcharge. The fuel surcharge will not also be taken into account in computing the tax payable.

On consumption of low tension energy a general rate of ten per cent has been proposed. In the course of general discussion on the Budget, many hon. Members referred, in particular, to the incidence of this tax on agriculturists using electricity for lift irrigation. The low tension rate for purposes of agriculture is 7 nP. per unit—one of the lowest rates in force in this country. Some time back, the Planning Commission made a study of the pattern of electricity tariff in different States and expressed the view that 9 nP. per unit would be reasonable for agricultural purposes. Even with the present tax of 10 per cent, the charges payable by agricultural consumers will be only 7.7 nP. per unit, which compares very favourably with the rates in force in other States. Hon. Members will be interested to know that there are States in which the rates are as high as 15 nP. and 29 nP. per unit. I may add that the tax proposed will be related to actual units of energy consumed by agriculturists and not to the minimum tariff payable by them.

I wish to announce in this connection that Government and the Board have decided to reduce the minimum guarantee from forward areas to a uniform rate of Rs. 35 per horse power in all areas.

As regards tax on domestic consumption, most of the consumers will be using only less than 20 units at the most per month and the tax will, therefore, work out to 60 nP. per month and the moderate taxation now proposed cannot be considered unjustified.

In proposing this new tax on consumption of electrical energy, we have taken care to see that the industrialisation of the State is not in any way impeded. That is why we have specifically provided for exemption of consumption of high tension by new industrial undertakings licensed under the Industrial Development Regulation Act from the proposed tax for a period of three years from the date of commencement of production.

The proposed measure of taxation is expected to bring in the current year Rs. 215 lakhs and we hope it will prove an elastic source of revenue. Sir, when I say this, I do not mean that the rates could be increased and thereby it will become elastic but that the industries will grow and thereby our revenues will also increase. Sir, the increased revenue expected from this source of taxation will help in the implementation of our Plans.

With these few words, I request that the House may be pleased to take up this bill for consideration '.

MR. CHAIRMAN : Motion moved—

'That the Madras Electricity (Taxation on Consumption) Bill, 1962 (L.A. Bill No. 12 of 1962), as passed by the Assembly, be taken into consideration '.

* SRI G. KRISHNAMOORTHY : Mr. Chairman, Sir, the Government, I am sorry to say, have not reconsidered their proposal to raise the rate for domestic consumption. The Government's case, as stated by the Hon. Minister, for increasing the rate is that most of the people will consume only less than 20 units per month and it would, therefore, be only a question of paying 60 nP. more. But my submission is that only such sundry items go to swell the budget of the individual and in these hard days it is not proper for the Government to increase the charge on domestic consumption. I want the Government to put to themselves this question : Whether they want the people to consume more electricity or whether they want to restrict the consumption of electricity? If the Government really want people to consume more electricity, they must exempt people who consume more than 50 units, as electricity has become an indispensable servant to provide for the amenities of the people. If they want that people should use less electricity, then there is a case for increasing the rate on domestic consumption. Another point I wish to urge upon the Government is this. This tax like house tax and other taxes when once increased

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will never come down. On the other hand, they go on rising. What guarantee is there that this rate will not be increased further? So, people would like to know the views of the Government on this, whether they want them to use more electricity or they want them to restrict their consumption of electricity. I would, therefore, very much request the Government to see that at least all the domestic consumers, whether they consume below 20 units or above 20 units, are exempted from this increase in electricity rates.

SRI T. P. SRINIVASAVARADAN : Sir, I welcome certain features in this Bill. The first thing is that the minimum guarantee has been made uniform. (Interruption.) The reason why I welcome this Bill is that the minimum guarantee has been made uniform. Till last year, if a certain backward area was suddenly classified as forward area, immediately the people there were asked to pay Rs. 45. When I asked for a clarification in the matter, they were not able to give any. The only explanation that they could give was that it had become a forward area, because of certain progress. Actually no progress was made. I am really thankful to the Government for taking away the heart-burning between one area and another in the matter of the minimum guarantee. 4-50 p.m.

As regards the additional tax of 5 per cent in the thermal areas, the Hon. Minister stated that this 5 per cent would not apply to the fuel surcharge. But, may I say that the fuel surcharge is not a constant factor and that it is varying? It depends on the price of the coal. It varies from time to time depending on the coal prices. If the coal price increases, the fuel surcharge increases. Therefore, they pay more and, in my humble opinion, this 5 per cent may not be levied in the case of areas where there are thermal stations.

As regards the domestic consumption of power, the Hon. Minister pointed out that the low-income group consumed only less than 20 units, and for these 20 units, they need pay only 60 nP. per month. It comes to Rs. 7·20 nP. per annum. Like this, if the low-income group people should go on paying on every item, the cumulative effect will be very great. The annual increment they get is Rs. 5, but the extra cost they have to bear on every item of daily use, will become much more than this Rs. 5. My humble request to Government is to exclude from this tax people consuming less than 20 units per month. This will confer a great benefit on them.

Then, Sir, the Hon. Minister, being the Minister in charge of Industries, has always an eye for the industrialisation of the State. That is why, I think, he has taxed less heavily the industrial units manufacturing cement. It is essential that cement must be manufactured and all impetus must be given to factories manufacturing cement. Another thing that I welcome is the exemption provided to certain industries for a period of three years from the time of

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their production. For new large-scale industries, this is a welcome measure. I heartily welcome this move. I would rather like that the period should be five years and not three years. I do not think any industrial unit or company can show any outturn within five years. In the first three or four years, it will be very difficult for any industrial unit to show any production. It only uses the capital. So, it is better that we extend the exemption period to five years.

As regards the other taxes, I have nothing to say. Those who use the high tension power will be taxed twenty per cent, and the textile units which use high tension power will be taxed thirty per cent. For cement industries, only ten per cent will be taxed. All sources must be taxed evenly. Even without any tax, prices go up. The Government must tax all sources on the same level.

So far as domestic consumption is concerned, I request the Government to reconsider whether they cannot exempt people who consume less than 20 units per month from this additional tax.

திரு. எம். சேஷாச்சாரியார் : தலைவர் அவர்களே, **Electricity Tax** பற்றி ஒரு சில வார்த்தை இந்த மசோதாவை ஆதரித்துப் பேச விரும்புகிறேன். மந்திரி அவர்கள் **minimum guarantee-** ஐ ரூபாய் 45-இலிருந்து ரூபாய் 35-ஆகக் குறைத்திருப்பதாகக் கூறினார்கள். மூன்றாவது **ஐந்தாண்டுத் திட்ட காலத்திற்குள் எல்லா ஊர்களுக்கும் மின்சாரம் விஸ்தரிக் கப்படுவதற்கு ஏற்பாடாகி வருகிறது. வருடத்திற்கு 10,000 கிரா** மக்களுக்கு மின்சாரம் கிடைக்கும்படியாக ஏற்பாடாகியுள்ளது. **எல்லா கிராமங்களுக்கும் மின்சாரம் விஸ்தரிக்கப்பட்டு வருகிற காலத்தில், நல்ல காலமாக நம்முடைய மந்திரி அவர்கள் backward, forward என்ற பாகுபாட்டை எடுத்து** விட்டிருக்கிறார். முப்பத்தைந்து ரூபாயைக்கூட கொஞ்சம் கொஞ்ச மாக எடுத்துவிடலாம். யார் வந்து மோட்டாரை வைத்துக் கொண்டு அதை உபயோகிக்காமல் இருப்பார்கள்?

SRI T. P. SRINIVASAVARADAN : The Hon. Minister had **stated in the other House that it was the intention of the Government to reduce it further from Rs. 35.**

திரு. எம். சேஷாச்சாரியார் : கிணற்றில் தண்ணீர் வற்றி **விட்டால், அவர்கள் பணம்** கொடுக்கப்போவதில்லை. **தண்ணீர் இருந்தால், அதைப் பயன்படுத்துவார்கள். ஆகவே இந்த 35** ரூபாயைக்கூட நாளாவட்டத்தில் குறைத்துவிட்டால் நல்ல **தென்று கருதுகிறேன். சில Industries இருக்கின்றன. பணம் அதிகமாகக் கொடுப்பதாக அவைகளை நடத்துபவர்கள்** கூறலாம். **' Production cost -க்கு** மேல் **One per cent என்றால்கூட பணம் அதிகமாகிவிடுகிறது. புதிய வியாபாரம் ஆரமபிக்கிறவர்கள் எல்லாம் சர்க்கார் செய்திருக்கின்ற ஏற்பாடு பிரகாரம் பணம் சர்க்காரிடம் கேட்கிறார்கள். இடம் வாங்குகிறார் கள், கட்டிடம் கட்டுகிறார்கள். அதை subsequent -ஆக**

1st August 1962] [திரு. எம். சேஷாச்சாரியார்]

run பண்ணுவதற்காக capital கேட்கிறார்கள். Private Bank -ம் அவர்களுக்குப் பணம் கொடுக்க முன்வந்திருக்கின்றது. டில்லியில் நடக்கின்ற மாதிரி, இங்கே தொழில்களை ஆரம்பிக்க, காலி நிலம் கேட்கிறார்கள். மூன்று வருஷம் தவணை தேவை இல்லை. இரண்டு வருஷம் கொடுத்தாலே பரவாயில்லை. Electricity—Domestic consumption -க்கு 29 நயா பைசா ஒரு யூனிட்டுக்கு ஆகிறது. இருபது யூனிட்டுக்கு அதிகமாகக் consumption செய்தால்கூட 7-3/4 அணாவிற்குமேல் அதிகமாக வராது. இருபது யூனிட்டுக்கு 58 நயா பைசா தான் அதிகப்படி தொகையாக வந்து நிற்கும். மின்சாரம் உபயோகிக்கவில்லை என்றாலும் minimum charge ஆக 1-3/4 ரூபாய் கொடுத்தாக வேண்டும். அதைவிட இப்பொழுது கொஞ்சம் அதிகமாகத்தான் பணம் கொடுக்கவேண்டியதாக இருக்கும். இரவு காலத்தில் சில சமயம் மின்சாரம் இல்லாமல் போய்விடும். இந்தமாதிரி சில நாளில்தான் mufassal -ல் தொந்திரவு ஏற்படும். இந்த அசௌகரியம் மட்டுமில்லாமல் இருந்தால் போதும். இந்த Bill -ஐ நான் support பண்ணுகிறேன்.

திரு. எஸ். ஆர். பி. பொன்னுசாமி செட்டியார்: தலைவர் அவர்களே, அபிவிருத்தி வேலைகளுக்காக வரி போடத்தான் வேண்டுமென்ற கொள்கையை நான் ஒப்புக்கொள்ளுகிறேன். ஆனால் வரி போடுகின்ற இனங்களில், எந்த இனம் தாங்கும், எந்த இனம் தாங்காது என்பதைப் பரிசீலனை செய்து பார்த்துத்தான் வரி போடவேண்டுமென்று விரும்புகிறேன். தாங்கும்படியான இனங்கள் மீது வரி போடுவதில் ஆட்சேபணை ஒன்றுமில்லை. இப்போது மின்சாரத்தைப் பொறுத்த வரையில் high tension power -க்கு 30 per cent கொஞ்சம் அதிகம்தான். இதைக் கொஞ்சம் குறைத்துவிடலாம். குறிப்பாக textile தொழிலில் நூலின் விலை 30 per cent அதிகமாகி விடுகிறது என்று சொல்லப்படுகிறது. நானும் ஒரு mill வைத்துக்கொண்டிருக்கின்றேன். எனக்கு electric bill 16,000 ஆகிறது. நான் மில்லில் வேலை செய்கிறவர்களுக்குக் கொடுக்கிற ஊதியம் மொத்தம் 90,000 ரூபாய். Production cost 60 முதல் 70 ஆயிரம் வரையில் வருஷத்திற்கு வரும். Cost of production அதிகம்தான். அதனால் இந்த Electricity Tax -ஐக் கொஞ்சம் குறைத்துப் போட்டால் நன்றாக இருக்கும். குறைக்க முடிந்தால் நல்லதென்று கருதுகிறேன். இதன் காரணமாகத் தொழில் நசித்துப் போய்விடுமென்று நான் சொல்லுவதற்குத் தயாராக இல்லை. electricity bill அதிகமாகிவிட்டால், இந்தச் செலவால், லாபம் குறைந்துவிடும். லாபம் குறைந்துவிட்டால், தொழிலாளர்களுக்குக் கொடுக்கப்படுகின்ற bonus பணம் குறைந்து போய்விடும். தொழிலாளர்களுக்கு நல்ல முறையில் bonus பணம் கிடைத்தால், அவர்கள் சந்தோஷமாக இருப்பார்கள். ஆகவே அவர்களது bonus -ஐக் குறைக்கக்கூடாதென்பதுதான் என்னுடைய யோசனை. புதியதாக ஆரம்பிக்கின்ற தொழில்களுக்கு மூன்று வருடம் விதிவிலக்குக் கொடுக்க அரசாங்கம் ஏற் 5-00 p.m.

[திரு. எஸ். ஆர். பி. பொன்னுசாமி செட்டியார்]

பாடு செய்திருப்பதை நான் வரவேற்கின்றேன். இதையே இரண்டு வருடமாகக் குறைக்கலாமென்று மதிப்புக்குரிய அங்கத்தினர் திரு. ஸ்ரீனிவாசவரதன் அவர்கள் கூறினர். ஒரு வருட காலத்திற்குள் ஒரு தொழில் ஆரம்பிக்கவேண்டுமென்றால், ஒரு வருடத்திலோ அல்லது இரண்டு வருடத்திலோ, எந்தத் தொழிலும் ஸ்திரமடைய முடியாது. மந்திரி அவர்களுக்கு நம்மைவிட நன்றாகத் தெரியும். ஐந்து வருடகாலத்திற்கு முன்பு எந்தத் தொழிலும் ஸ்திரத்தன்மை கண்டிப்பாக அடைய முடியாது. அரசாங்கம் கடன் கொடுக்கலாம். கடன் ஒன்றும் சும்மா கொடுக்கப்படுவதல்ல. கடனைத் திருப்பிக் கட்டியாக வேண்டும். பணம் சம்பாதித்தால் தான் கடனைத் திருப்பித்தர முடியும். கடனைத் திருப்பித் தருவதற்கு வழி செய்தாக வேண்டும். தொழில்கள் ஸ்திரமடைந்த பிறகு, கடனைப் பின்பு வாங்கிக்கொள்ளலாம். ஆகவே தொழில்கள் ஸ்திரம் அடைவதற்காக அரசாங்கம் வழிவகை செய்தாக வேண்டும். மூன்று வருடம் தவணை போதாது. மந்திரி அவர்கள் இதை நன்றாக யோசனை செய்து பார்க்கவேண்டுமென்று கேட்டுக் கொள்ளுகிறேன். இரண்டாவதாக Domestic Consumption Tax இல்லாமல் இருந்தால் நல்லது. இதில் இரண்டு மூன்று வகையானவர்கள் இருக்கின்றார்கள். சிலர் வீடுகளில் விளக்குகள் மட்டும் உபயோகிக்கிறார்கள். இன்னும் சிலர் விளக்குகளுடன் fan, air-conditioned unit-ம் வைத்திருக்கிறார்கள். இப்படி வைத்திருக்கின்றவர்கள் தாராளமாக இந்த tax-ஐக் கொடுக்கலாம். கனம் அங்கத்தினர் திரு. ஸ்ரீனிவாசவரதன் கூறியது போல், 20 யூனிட்டுக்குக்கீழ் மின்சாரம் உபயோகிக்கின்றவர்களை இந்த வரியிலிருந்து exempt செய்யலாம். மற்றவர்களுக்கு இந்த வரி இருக்கலாம். அவர்களுக்கு வரி கொடுப்பதால் ஒன்றும் கவலை இல்லை. இருபது unit-க்குக் குறைவாக மின்சாரம் உபயோகிக்கின்றவர்களை மட்டும் exempt செய்துவிடலாமென்று கேட்டுக்கொள்ளுகிறேன்.

திரு. எஸ். கே. சம்பந்தன்: நான் இந்த மசோதாவை முழுதாக ஆதரிக்கவில்லை என்றாலும் அதை ஓரளவு நான் ஆதரிக்கிறேன். முதலாவதாக நண்பர்கள் சீனுவாசவரதன், சேஷாச்சாரி அவர்கள் குறிப்பிட்ட mnimum guarantee பற்றி ஒன்று சொல்ல ஆசைப்படுகிறேன். இப்போது விவசாயிகள் மின்சாரம் கேட்டால், குறைந்தது 3 மாதம் ஆகிறது. ஒரு சில இடங்களிலே 6 மாதம் ஆகியும் கிடைப்பதற்குத் தாமதம் ஆகிறது. ஒரு வருஷம் ஆகியும் கூட தாமதம் ஆகிறது. இது எதைக்காட்டுகிறது என்று அமைச்சர் சொல்வார்கள்; இந்த மின்சாரத்துக்கு அதிக demand இருப்பதாகக் காட்டுவார்கள். இந்த அளவில் இருக்கும்போது minimum guarantee அவசியம்தானு என்று ஏன் பரிசீலிக்கக் கூடாது என்பது என் கேள்வி. இது ஏன் ஏற்பட்டது? தொடர்ந்து ஏன் இருக்க வேண்டும் என்று பரிசீலிக்க வேண்டும். இதற்கு முடிவு காண வேண்டும் என்று சொல்லிக்கொள்ள ஆசைப் படுகிறேன்.

1st August 1962] [திரு. எஸ். கே. சம்பந்தன்]

இந்த வரி அரசாங்கத்தின் வருமானத்துக்காகப் போடப்படுகிறது என்ற போதிலும் இப்போது உற்பத்தி செய்யப்படுகின்ற மின்சாரம் எந்த அளவுக்கு நமக்கு அடக்க விலை ஆகிறது என்பதை அரசாங்கம் நிர்ணயித்திருக்கலாம். அதை மற்ற மாநிலங்களிலே உற்பத்தி செய்யப்படுகின்ற மின்சாரத்திற்கு அடக்கம் ஆகின்ற விலையோடு, மற்ற நாடுகளிலே மின்சாரம் உற்பத்தி செய்கின்ற விலையோடு, ஒப்பிட்டுப் பார்த்திருக்கிறீர்களா? நமது மாநிலத்திலே அடக்கம் ஆகிற விலை அதிகமா என்று தெரியவில்லை. கனம் அமைச்சர் அவர்கள் வெளி நாடுகளைப் பார்த்திருப்பதால் **consumer** என்று சொல்லப்படுகிற பொதுமக்களுக்கும் தொழிற்சாலைகளுக்கும் எந்த விகிதத்திலே இந்த மின்சாரம் சப்ளை செய்யப்படுகிறது என்று தெரியவில்லை. அமைச்சர் அவர்கள் தெளிவு படுத்துவார்கள் என்று எண்ணுகிறேன்.

மற்றும் குறைந்த அளவுக்கு உபயோகப்படுத்துகிறவர்களுக்கு விலக்கு அளித்தால் நன்றாக இருக்கும். குறைந்த வருமானம் வருகிறவர்களுக்கு 100 ரூபாய், 150 ரூபாய், 200 ரூபாய் வருமானம் இருக்கிறவர்களுக்கும் 1 ரூபாய் இருந்தாலும் ½ ரூபாய் இருந்தாலும், திரு. கிருஷ்ணமூர்த்தி சொல்லுவது போல், சென்னை மாநிலத்தில் முக்கியமாக பாதிக்கப்படுகிறவர்கள் **Fixed Income Group** என்ற பகுதியினர்களுக்கு 4 அணாவாக இருந்தாலும் பாதிப்பு ஏற்படும். விலக்கு கொடுக்க முடியுமானால் விலக்கு அளிக்க வேண்டுமென்று கேட்டுக்கொள்கிறேன்.

SRI K. BALASUBRAMANYA AYYAR: Sir, the first thing to remember about this tax is that it is a tax on the price of energy consumed. This Bill does not concern itself with the increase in the price of energy. If the price of energy goes up, the tax also will go up. The price, so far as domestic consumption is concerned—I do not know about industries—is 29 nP. per unit. Nobody guarantees that this rate will not be increased. If that 29 nP. is increased to 32 nP. or 42 nP., then the tax will go up in proportion. This is a tax on the price of energy consumed. Therefore, I am rather loath, so far as domestic consumers are concerned, that this further tax should be imposed.

Now, electricity has become an essential thing just like air and water. So far as industries are concerned, if there is no water in Pykara, then supply of electricity is stopped, there is power cut and for every day of power cut, so many lakhs of rupees are lost. We had the recent instance of power cut for a week. Fortunately, there was rain in those places. If there is no rain for a month and a half, we find no provision here for reduction of the tax in such cases. Such a provision must be in the statute itself. There is no use of the Government saying that in such cases exemption will be given by the Government by notification. On many occasions in the night there was failure of electricity even in thermal areas. That is a point which we must remember. So far as domestic consumption is concerned, I think there is a good

case for not having it at 10 per cent. I wanted to propose an amendment for the levy of 5 per cent of the price of energy consumed. So far as the minimum is concerned, that category can be completely exempted.

In regard to appeals in disputes, reference is made to section 36 of the Indian Electricity Act. That Act provides that where there is an appeal to the Government, an appeal can be made also to an Advisory Board which may be constituted by the Govern-
5-10 p.m. ment. I feel in all the disputes making the Government responsible for hearing and deciding, an Advisory Board will be better. That provision also may be here. If it is not desired to constitute it, the Government are the final authority. If they want to constitute an Advisory Board, an appeal may lie to it.

Regarding penalties, items (*a*), (*b*) and (*c*) are clubbed together. The punishment is a fine which may extend to Rs. 1,000. Item (*a*) refers to " not keeping books of account or failing to keep or submit accounts ". Item (*b*) refers to " intentionally obstructing officers ". These two are serious offences and the punishment prescribed may be all right. But item (*c*) refers to contravention of " any rule made under this Act ". There may be contravention of even small rules. One answer will be that the punishment is only fine which ' may extend ' to one thousand rupees. It is not obligatory to fine one thousand rupees but it may extend to one thousand rupees. But it is better not to club all these things together. Items (*a*) and (*b*) refer to serious offences. In those cases, the fine may extend to one thousand rupees. But in the case of the offence under item (*c*), the punishment may be less.

Clause 14 says—

" *Effect of Madras Act V of* 1939.—The provisions of this Act shall be in addition to, and not in derogation of, the Madras Electricity Duty Act, 1939 (Madras Act V of 1939)."

That Act imposes a duty of two annas in the rupee on all licensees. It is not clear whether that two annas in the rupee can also be transferred to the consumer. That should be made clear. I have not given notice of any amendment and, therefore, I am mentioning this for consideration. If you will allow, I shall move an amendment.

MR. CHAIRMAN : Does the hon. Member think that it is quite necessary?

SRI K. BALASUBRAMANYA AYYAR : I am just mentioning this for consideration, Sir.

THE HON. SRI R. VENKATARAMAN : Mr. Chairman, Sir, I am thankful to the hon. Members for generally giving support to this Bill. I wish to point out that Government have taken very great care to see that this does not lie very heavily either upon the

1st August 1962] [Sri R. Venkataraman]

industry or the consumer and that they have come forward with the rates which they have proposed with the full knowledge that it will not very seriously affect either the industry or the ordinary consumer. So, let me take the industry first and answer a few points raised.

The hon. Member Sri Ponnuswamy Chettiar said that the levy of 30 per cent on textile industry seemed steep. Government have calculated the cost of electricity in proportion to the total cost of production, and according to the accepted calculations, the cost of power in textile industry is only 2·6 per cent of the total cost of production. In the case of cement, it is 9·4 per cent of the cost of production. In the case of sugar, it is 1·7 per cent. In the case of light engineering industries, it is 2·3 per cent. In the case of chemicals, it is 18·1 per cent. Therefore, Government have fixed the various rates taking into account the cost which power bears in relation to the total cost of production. At the present time, if we increase the duty according to the Bill, the textile industry would still be paying less than 1 per cent. In fact, it would still be a favoured industry because the cost of production in this industry is so low that even if we raise it to 30 per cent, the percentage of increase in cost will be less than 1 per cent. Therefore, I do not think it is a very heavy burden. I had also a meeting of the Industries Development Committee of the State and I expected a lot of criticism from the industries about the tax on consumption of electricity. I am very happy to say that the industrialists themselves thought that the levy was not unfair to them. Only they made a request that it might not be increased. Therefore, I would plead with the House that so far as the industry is concerned, this is not a very heavy loss.

So far as agriculture is concerned, the present rate of tax is already a subsidized rate. The cost of production per unit in Madras State is 12 to 13 nP. per unit and agriculture is supplied power at the rate of 7 nP. per unit. Therefore, the increase of 10 per cent will not be very heavy. Actually it will work out to 7.7 per cent or 7.7 nP. per unit.

We have also taken this opportunity to do away with the distinction between the forward areas and backward areas and I wish to repeat what I said elsewhere that Government want to progressively reduce the minimum guarantee as soon as possible. The comparison of the cost of production of power in this State and other States would be idle because it would depend on the cost of fuel used for production of electricity. Similarly to compare the cost of production of power in this country with that of other countries would also be totally unrealistic because we cannot draw any conclusions from such a comparison. 5-20 p.m.

Sir, the hon. Member Sri S. K. Sambandhan complained about the delay in the supply of power. Our target is to electrify 1,600 villages every year. In the last year we electrified 2,300

villages against the target of 1,600. I do not think, if there was delay, we could have done nearly 50 per cent more electrification than the targetted figure. It is true that the demand for power is growing and has also become insistent. Everybody wants power almost from the next day after filing the application for supply of power. While I welcome it as a sign of the progress that the State is making both in the agricultural and industrial sectors, I am afraid it will not be humanly possible for any department to supply power at the rapid rate at which the demand for the power grows.

The only point on which there has been some criticism is the levy on domestic consumption. In my opening speech I said that this was purely a revenue measure and it was only for the purpose of finding the revenue to finance our plan schemes. Under the Plan we have an ambitious programme of laying roads, putting up hospitals, schools and all the other amenities which benefit the common man. I do not think it would be wrong to charge a small percentage on those who get the benefit of the Plan schemes. It is only fair that every one in this country bears his little share of the burden of the schemes that the Government have undertaken for the benefit of the entire people of the State. It is in that view we thought that there was nothing wrong in the levy. Government have taken care to see that it is not a very heavy burden. The levy of 10 per cent as compared with 20 or 30 per cent in other cases of high tension supply shows that the Government have taken all these into consideration. I would plead with this House to accept this 10 per cent as a token contribution of the common man to the success of the plan.

Then, Sir, the hon. Member Sri K. Balasubramanya Ayyar raised a number of points. He said that when there was no rain and when there was no supply, there was no provision for reduction of these taxes and something ought to have been provided for it in this Bill itself. Sir, this is a tax on consumption and if there is no supply, there will be no tax. It is only when the energy is consumed that they will have to pay. If the Government are unable to supply energy, they cannot tax them on energy not consumed. That is why it is not necessary to provide for any such thing in this Bill.

The second point which he raised was that if the cost of energy went up, then the tax also would automatically be raised. This is a well-known principle in any custom or excise levy. In respect of customs duty levied *ad valorem*, if the cost of the article increases, then the tax also increases. In respect of the excise duty, the same principle applies. Therefore, if at any time it becomes necessary to increase the cost of energy supplied, it is true that the tax also will proportionately increase. But the cost of energy cannot be increased unless it is found that the industry

and the consumer are able to bear it. There is no point in producing energy and making it so costly as not to be able to be consumed in the State. Therefore, I say that a great deal of care would be exercised by the Government before they think of any revision of the cost of energy supplied.

Then, Sir, the question was raised about the constitution of an Advisory Board under the Indian Electricity Act. So far, we have not received any such request. That would be considered if any such request is received.

Lastly, Sir, the question of penalties was referred to. I submit it would be a tidy legislation to impose penalties for specific offences and separate punishment for residuary offences. It is proper legislation, I agree. But in this case since the matter is only for contravention of rules, we have provided only what the Courts might take into account. And no real hardship would be caused because the courts are the final arbiters of the extent of the punishment to be given and certainly no court will levy such a heavy penalty for contravention of one of the rules as it would if there was a contravention of clause (a) or (b).

With these words, Sir, I request that the Bill be taken into consideration.

MR. CHAIRMAN : The question is—

"That the Madras Electricity (Taxation on Consumption) Bill, 1962 (L.A. Bill No. 12 of 1962), as passed by the Assembly, be taken into consideration".

The motion was put and carried and the Bill was taken into consideration.

Clauses 2 to 18 were put and carried.

Clause 1 and the Preamble were put and carried.

THE HON. SRI R. VENKATARAMAN : Mr. Chairman, Sir, I move—

'That the Madras Electricity (Taxation on Consumption) Bill, 1962 (L.A. Bill No. 12 of 1962), as passed by the Assembly, be passed'.

MR. CHAIRMAN : The question is—

'That the Madras Electricity (Taxation on Consumption) Bill, 1962 (L A. Bill No. 12 of 1962) as passed by the Assembly, be passed.'

The motion was put and carried and the Bill was passed.